

*LMK*  
*Robinson, J*

MICHAEL J. GARCIA  
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Southern District of New York  
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UNITED STATES DISTRICT COURT  
SOUTHERN DISTRICT OF NEW YORK

-----X  
UNITED STATES OF AMERICA,

Plaintiff,

v.

WILLIAM J. PEPPER, III, NANCY PEPPER-  
ARMANO, MANUFACTURERS AND  
TRADERS TRUST COMPANY, ABL  
PROPERTIES, INC., NEW YORK STATE TAX  
COMMISSION, FLEET NATIONAL BANK and  
JOHN DOES NOS. 1-10

Defendants.  
-----X

**STIPULATION & ORDER** *As To*  
ECF Case *ALL DEFENDANTS*  
07 Civ. 9835 (SCR)

WHEREAS, on November 6, 2007, plaintiff the United States of America ("the Government") filed a complaint in this matter on behalf of the Internal Revenue Service ("IRS");

WHEREAS, the Government's first claim for relief seeks to reduce to judgment assessments of the federal tax liabilities of defendant William J. Pepper, III ("Pepper") for unpaid taxes, penalties, interest, and a lien fee relating to tax years 1994, 1995, and 1996 (the "1994, 1995, and 1996 tax liabilities");

WHEREAS, the Government and Pepper agree that the Government has recorded Notices of Federal Tax Liens with regard to the 1994, 1995, and 1996 tax liabilities;

WHEREAS, the Government's second claim for relief seeks to foreclose upon real property at 16 North Fremont Avenue, Nanuet, New York (the "Property") pursuant to the tax liens relating to the 1994, 1995, and 1996 tax liabilities;

WHEREAS, the only defendant to have served or filed an answer to the Complaint has been Manufacturers & Traders Trust Company ("M&T");

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WHEREAS, defendant New York State Tax Commission ("New York State") has served a notice of appearance in this action;

WHEREAS, the Government and Peper agree that as of January 23, 2008, the 1994, 1995, and 1996 tax liabilities amounted to \$67,771.10, with statutory interest and additions continuing to accrue on that amount;

WHEREAS, Peper, though his counsel, has provided the Government with bank check No. 089967124, dated February 21, 2008, and issued by JP Morgan Chase Bank N.A., in the amount of \$67,771.10;

WHEREAS, the United States has accepted this payment in satisfaction of the 1994, 1995, and 1996 tax liabilities;

WHEREAS, the United States has provided Peper with evidence of the release of the liens reflected by the Notices of Federal Tax Liens for Peper's 1994, 1995, and 1996 tax liabilities;

WHEREAS, the United States has agreed to provide Peper with a release of the notice of pendency that the United States filed with respect to the present action;

WHEREAS, in light of the foregoing, the United States desires to dismiss this action voluntarily;

NOW, THEREFORE, IT IS HEREBY STIPULATED AND AGREED, by and among the parties having appeared in this action, by their counsel, as follows:

1. This action is dismissed with prejudice and without costs or attorney's fees to any party.
2. The United States will provide Peper with a notice of release of the notice of pendency.
3. Nothing in this stipulation or the dismissal of this action affects any rights that M&T or New York State may have concerning the Property, including any right to commence legal proceedings and take such other actions as it deems appropriate to protect their interest in the Property or any related mortgages or agreements;

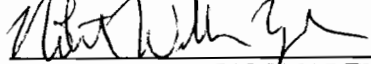
4. Nothing in this stipulation or the dismissal of this action affects any rights that the Government or any of its agencies, including the IRS, may have with respect to any unpaid federal tax liabilities other than the 1994, 1995, and 1996 tax liabilities that are at issue in this case, including any right to commence foreclosure proceedings against the Property with respect to any such other unpaid liabilities.

5. The parties understand and agree that this stipulation contains the entire agreement between them, and that no statements, representations, promises, agreements, or negotiations, oral or otherwise, between the parties or their counsel that are not included herein shall be of any force or effect.

Dated: New York, New York  
March 14, 2008

MICHAEL J. GARCIA  
United States Attorney for the  
Southern District of New York  
*Attorney for Plaintiff*  
*United States of America*

By:

  
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Dated: New York, New York  
March \_\_, 2008

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*William J. Peper, III*

By:

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4. Nothing in this stipulation or the dismissal of this action affects any rights that the Government or any of its agencies, including the IRS, may have with respect to any unpaid federal tax liabilities other than the 1994, 1995, and 1996 tax liabilities that are at issue in this case, including any right to commence foreclosure proceedings against the Property with respect to any such other unpaid liabilities.

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Dated: New York, New York  
March \_\_, 2008

MICHAEL J. GARCIA  
United States Attorney for the  
Southern District of New York  
*Attorney for Plaintiff*  
*United States of America*

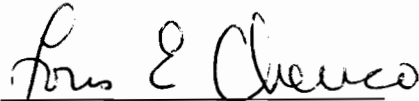
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Dated: New York, New York  
March 11, 2008

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*William J. Peper, III*

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Dated: New York, New York  
March \_\_, 2008

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Dated: Hauppauge, New York  
March \_\_, 2008

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SO ORDERED.

Dated: New York, New York  
March \_\_, 2008

\_\_\_\_\_  
HON. STEPHEN C. ROBINSON  
United States District Judge

Dated: New York, New York  
March \_\_, 2008

HODGSON RUSS LLP  
*Attorneys for Defendant  
Manufacturers & Traders Trust Co.*

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Dated: Hauppauge, New York  
March 11, 2008

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State of New York  
*Attorney for Defendant  
New York State Tax Commission*

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*A/G*

SO ORDERED.

Dated: New York, New York  
March 18, 2008

  
HON. STEPHEN C. ROBINSON  
United States District Judge